

ATTACHMENT B

**WISCONSIN PUBLIC EMPLOYERS
INCOME CONTINUATION INSURANCE PLAN (ICI)
LOCAL EMPLOYES PLAN**

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ARTICLE I - DEFINITIONS

The following terms, when used and capitalized in this Income Continuation Insurance Plan or any supplements, endorsements or riders are defined as follows are limited to that meaning only:

1.01 "CLAIMANT" means an EMPLOYEE who has applied or been approved for benefits under this Plan, including an EMPLOYEE whose benefit is totally offset by other income sources.

1.02 "DAYS" means calendar days, unless otherwise specified.

1.03 "EARNINGS" for the purpose of § 2.15 (Integrated Benefits) means the gross amount of wages and salary received from any employment, whether or not it is Wisconsin Retirement System covered employment, for personal service rendered on or after the disability effective date, including any amount which would have been available for payment to the CLAIMANT except for the CLAIMANT's election that part or all of the amount be used for other purposes. The gross amount shall be determined prior to deductions for taxes, insurance premiums, retirement contributions, charitable contributions, etc.

EARNINGS also include any payment or award for lost wages or lost earnings regardless of whether treated as "earnings" for purposes of the Wisconsin Retirement System under § 40.02 (22), Stats., or § ETF 20, Wis. Admin. Code, and regardless of whether received from the employer or a third party, including a third party subrogation or an insurer.

EARNINGS for personal services rendered also include the net profit of any business enterprise owned, controlled or conducted by the individual, in addition to any salary, wages or other compensation drawn from such a business.

1.04 "ICI" means Income Continuation Insurance.

1.05 "LEAVE OF ABSENCE" means the same as the definition of the leave of absence provided in § 40.02 (40), Stats. and in addition this means an EMPLOYEE who terminates and is re-employed within thirty (30) calendar days by the same EMPLOYER.

1.06 "LONG TERM DISABILITY" means benefits payable after the first twelve (12) months of disability under § 2.14 (4) (b) of this Plan.

1.07 "OBJECTIVE MEDICAL EVIDENCE" means test results (e.g. blood tests, MRI, CAT scan, X-rays, etc.) and PHYSICIAN's notes of regular visits recording the PHYSICIAN's observations of disabling symptoms and conditions. The PHYSICIAN's opinion may rely in part on records of care provided by other medical professionals under the supervision of a PHYSICIAN, including but not limited to nurse practitioners, physician's assistants, midwives, psychologists, and psychotherapists (MSSW).

1.08 "PHYSICIAN" means a licensed medical doctor, doctor of osteopath or surgeon licensed to practice by a state within the United States of America. A licensed PHYSICIAN does not include the EMPLOYEE. A PHYSICIAN also includes such other licensed medical professional (for example, a podiatrist, dentist, nurse practitioner, physician's assistant, psychologist) who is acting within the lawful scope of his/her license and performs a service which is supervised by a licensed medical doctor, doctor of osteopath or surgeon (not required for D.P.M. or D.D.S.).

1.09 "REGULAR CARE AND ATTENDANCE" wherever used in this Plan means a planned

program of observation and treatment requiring the personal attendance of the CLAIMANT by a PHYSICIAN, which once initiated, is continued in accordance with existing standards of medical practice for the condition or conditions rendering the CLAIMANT sick or injured.

- 1.10 "RETURN TO FULL TIME EMPLOYMENT" means the CLAIMANT has been released by a PHYSICIAN to return to work. If the CLAIMANT had been employed less than full time prior to approval for disability benefits, a release to work at the prior appointment constitutes a release to full time employment. If the CLAIMANT is released to return to work and does not actually return to work, the provisions of § 2.17 of this Plan still apply.
- 1.11 "SHORT TERM DISABILITY" means benefits payable during the first twelve (12) months of disability under § 2.14 (4) (a) of this Plan.
- 1.12 "SUBSTANTIAL GAINFUL ACTIVITY" means that the earnings from that activity would be at least equal to the gross ICI benefit for the same period of time payable to a LONG TERM DISABILITY CLAIMANT under § 2.14 (4) (b) for the same period of time.

ARTICLE II - ENROLLMENT AND BENEFIT PROVISIONS

2.01 COVERAGE.

- (1) The ICI Plan authorized by § 40.61, Stats., shall be an integrated plan of short and long term coverage. Participation under the plan shall be voluntary for each EMPLOYEE, but each EMPLOYEE who elects to participate shall be insured for both the short and long term coverage.
- (2) Benefits are paid to an insured EMPLOYEE for actual covered earnings lost as a result of disability. No benefit is available for earnings which were lost due to disability but which were not included under the provisions of § 2.16.

2.015 RESOLUTIONS FOR EMPLOYER PARTICIPATION.

- (1) The governing body of an EMPLOYER shall adopt a resolution for coverage under this Plan in the form prescribed by the DEPARTMENT. The effective date of coverage shall be the first of the calendar month which begins on or after ninety (90) days following receipt by the DEPARTMENT of the resolution, unless the resolution specifies a later effective date. Coverage shall always be effective on the first day of a calendar month. The EMPLOYER shall transmit all enrollment applications so they are received by the DEPARTMENT thirty (30) days prior to the effective date. If those applications represent less than 65% of all eligible EMPLOYEES, the resolution shall become void, unless the EMPLOYER is granted a temporary waiver of the 65% participation requirement by the DEPARTMENT. The waiver may be extended by the DEPARTMENT, if deemed appropriate and necessary.
- (2) If participation under the Plan is initially approved in accordance with the minimum requirements established under sub. (1) and subsequent participation drops below the minimum participation percentage, the BOARD may terminate the EMPLOYER's participation under the Plan. If the BOARD terminates such participation, the termination shall be effective at the end of the calendar year. The DEPARTMENT shall notify a local EMPLOYER by October 1 of the decision to terminate participation at the end of the calendar year, otherwise termination shall be effective at the end of the following calendar year.

- (3) Provided that the EMPLOYER has been in the Plan for a minimum of twelve (12) months, the EMPLOYER may withdraw from the Plan at the end of any calendar year by filing a resolution with the DEPARTMENT by October 1 of that year.

2.02 INITIAL ELIGIBILITY.

- (1) Enrollment shall be limited to EMPLOYEes.
- (2) Subsequent to the EMPLOYER's effective date of participation, each EMPLOYEE shall be insured under the Plan without furnishing medical evidence of insurability, provided the EMPLOYEE completes and signs an application furnished by the DEPARTMENT and files it with the EMPLOYER within thirty (30) calendar days after the initial date of eligibility.
- (3) Coverage shall be effective the first day of the calendar month which begins on or after the date the application is received by the EMPLOYER. If the EMPLOYEE files the completed application prior to the initial date of eligibility as determined in accordance with § ETF 50.10, Wis. Admin. Code, the coverage shall be effective the first day of the calendar month which begins on or after the date of eligibility.
- (4) An EMPLOYEE who has been paying premiums for a period of twelve (12) consecutive months, even though not properly enrolled, is deemed to be insured. Following DEPARTMENT notice of improper enrollment, insurance shall continue in effect for thirty (30) days during which time proper enrollment must be completed by the EMPLOYEE. Coverage shall cease after thirty (30) days unless proper enrollment has been completed.

2.03 COVERAGE AFTER INITIAL DATE OF ELIGIBILITY.

- (1) Any EMPLOYEE, who does not elect to be covered during the initial enrollment period or desires at a later date to change to a shorter elimination period, may complete an application of evidence of insurability furnished by the DEPARTMENT. An application of evidence of insurability, completed more than thirty (30) days prior to the date the DEPARTMENT receives it, will be rejected. The EMPLOYEE shall be required to complete a new application. The evidence of insurability applications shall be reviewed by the CONTRACTOR subject to the health underwriting standards approved for the program by the BOARD.
 - (a) If the EMPLOYEE's application is approved, insurance coverage shall become effective on the first day of the calendar month following the date of approval. Premiums will be based on the selected elimination period and the earnings reported to the Wisconsin Retirement System for the previous calendar year rounded to the next higher thousand and divided by twelve (12). For a new EMPLOYEE, premiums will be based on a projected annual base salary rounded to the next higher thousand and divided by twelve (12). Charges for medical examinations, if required, shall be the responsibility of the EMPLOYEE. Charges for medical records, if required, shall be paid by the ICI plan.
 - (b) If the application is denied by the CONTRACTOR due to lack of medical evidence, the CONTRACTOR will notify the EMPLOYEE. If medical evidence

is not received within ten (10) days of notice to the EMPLOYEE, the CONTRACTOR shall deny the application.

- (c) If the application is denied by the CONTRACTOR following review of medical evidence, the EMPLOYEE has the right to request reconsideration of the denial. The CONTRACTOR shall be responsible for the reconsideration of the denied application. To request reconsideration of the initial denial, the EMPLOYEE must submit a written request to the CONTRACTOR which must be received by the CONTRACTOR within ninety (90) days of the date of the initial denial. If the CONTRACTOR upholds the initial denial on reconsideration, the EMPLOYEE has the right to request a subsequent review of the denial. The DEPARTMENT shall be responsible for the subsequent review of the CONTRACTOR's denial and rendering a Departmental Determination. To request a Departmental Determination, the EMPLOYEE must submit a written request which must be received by the DEPARTMENT within ninety (90) days of the date of the CONTRACTOR's reconsideration denial.
- (d) A new application may not be considered until a period of one (1) calendar year has elapsed from the date of denial of the previous application.

2.04 INITIAL PREMIUMS.

When coverage becomes effective, multiple premium contributions may be required to pay premiums on a current basis.

2.05 CONTINUATION OF COVERAGE DURING PERIODS OF AUTHORIZED LEAVE.

- (1) An insured EMPLOYEE may continue to be insured for a maximum of thirty-six (36) months during any period of leave specifically authorized by the EMPLOYER, while that person continues to be an EMPLOYEE but receives no earnings from the EMPLOYER. An insured EMPLOYEE on union leave, as defined under § 40.02 (56), Stats., may continue to be insured for the duration of that leave.
- (2) The EMPLOYEE must authorize a payroll deduction in an amount sufficient to make the initial premium payment.
- (3) The premium for time periods beyond the initial premium payment shall be received by the EMPLOYER prior to the end of coverage so there is no lapse in coverage.
- (4) The gross premium shall remain the same throughout the period of leave. Upon the EMPLOYEE's return to employment, the premium shall be adjusted if there has been an annual premium or salary adjustment in the interim.
- (5) Any insured EMPLOYEE who allows coverage to lapse during a period of unauthorized or authorized leave by not authorizing or making advance premium payments under sub. (2) or (3) may reinstate coverage with the same elimination period and without furnishing medical evidence of insurability by submitting an application to the EMPLOYER within thirty (30) days following the return to active employment. Such coverage shall be effective on the first day of the month which begins on or after the date the application is received by the EMPLOYER. Premium shall resume in the same amount as before unless there has been an annual premium or salary adjustment in the interim.

2.06 WAIVER OF PREMIUMS.

A CLAIMANT who is totally disabled as defined under § 2.14 (4) shall pay no premiums for the coverage period which is the first of the month which occurs on or following the date initial payment of ICI benefits become payable. The waiver of premiums shall continue through the last day of the month in which ICI benefits are payable.

2.07 TERMINATION OF COVERAGE.

- (1) The insurance coverage of an EMPLOYEE who is not disabled per § 2.14 (4) shall immediately terminate on the date the EMPLOYEE resigns, is dismissed, terminates, retires, turns age 70, or dies, whichever occurs first. When coverage lapses under § 2.05 (5), coverage terminates the end of the month through which the premiums were paid. A full month's premium is required for any month or portion of a month for which earnings are paid.
- (2) Whenever a participating EMPLOYER withdraws from the program pursuant to § 2.015 (3) or is terminated under § 2.015 (2), coverage for EMPLOYEES covered thereunder shall terminate at the end of that calendar year. Termination of coverage shall not apply to those EMPLOYEES who become totally disabled under sub. 2.14 (4) on or before the date the EMPLOYER withdrawal or termination is effective.
- (3) An EMPLOYEE may cancel ICI coverage by giving written notice of cancellation to the EMPLOYER on a form provided by the DEPARTMENT. Such notice of cancellation must be forwarded by the EMPLOYER to the DEPARTMENT immediately. Cancellation of coverage shall be effective with the first day of the calendar month which occurs on or after the date the form is received by the EMPLOYER.

2.08 LAPSE OF COVERAGE.

Any EMPLOYEE in active employment for whom the EMPLOYEE portion of premiums has not been submitted when due, coverage shall be deemed to have lapsed. This EMPLOYEE may again obtain coverage only under § 2.03.

2.09 GROSS MONTHLY PREMIUMS.

The gross monthly premiums shall be based on the average monthly earnings as determined under sub. 2.11 (2) and the selected elimination period as shown in Table I. Each participating EMPLOYER shall remit to the DEPARTMENT all the necessary forms and premium payments by the 20th day of the month for the following month of coverage. Late payments shall be subject to interest charges pursuant to § 40.06, Stats. The annual premium adjustment shall be determined effective March 1st of each year.

2.10 EMPLOYER CONTRIBUTIONS.

The minimum EMPLOYER contributions shall be the gross premium rate for the 180 day elimination period option shown in Table I. An EMPLOYER may elect to contribute a greater amount toward the gross premium for any other elimination period selected by the EMPLOYEE.

2.11 EMPLOYEE CONTRIBUTIONS.

- (1) EMPLOYEE contributions toward premium shall be made in accordance with the rates established in Table I, less the contribution made by the EMPLOYER.
- (2) Except as provided in par. (a), the monthly premium shall be determined effective March 1st of each year based on the average monthly earnings and the selected elimination period. The average monthly earnings shall be the total earnings paid to the insured EMPLOYEE by the EMPLOYER during the previous calendar year as reported to the Wisconsin Retirement System, rounded to the next higher thousand and divided by twelve (12).
 - (a) At the time of initial enrollment or the annual March 1st adjustment of individual premium rates, and if the prior year earnings represent an interruption extending three (3) consecutive months or more, or the EMPLOYEE is newly hired, the EMPLOYER shall estimate the base salary earnings to be received during the ensuing twelve (12) months rounded to the next higher thousand and divided by twelve (12) and that projection shall be the basis for establishing average monthly earnings until coverage has been in effect for a full calendar year. A new projection shall be made when there is a permanent change in the EMPLOYEE's percentage of appointment (e.g., a half time EMPLOYEE becomes full time). When a new projection is made due to the permanent change in the EMPLOYEE's percentage, the EMPLOYEE must have worked at the adjusted percentage of appointment for a minimum of one complete pay period prior to the date disability begins before an ICI benefit can be based on the adjusted salary.

2.12 MAXIMUM DURATION OF BENEFITS.

Except as provided in sub. (2) through (4), the maximum duration of benefits for disabled insured EMPLOYEES shall be as follows:

- | (1) <u>Age at</u>
<u>Disablement</u> | <u>Maximum Duration of</u>
<u>Benefits in Years</u> |
|---|--|
| 61 or younger | To age 65 |
| 62 | 3.50 years |
| 63 | 3.00 years |
| 64 | 2.50 years |
| 65 | 2.00 years |
| 66 | 1.75 years |
| 67 | 1.50 years |
| 68 | 1.25 years |
| 69 | To age 70 |
- (2) A CLAIMANT who qualifies for ICI benefits will receive the benefits through the end of the month in which the CLAIMANT turns 65, or through the end of the month the maximum duration is reached, whichever is applicable.
 - (3) A CLAIMANT who returns to part time employment while receiving ICI benefits will have ICI benefits terminated at the end of the month in which age 65 is reached or the end of the month as indicated in the maximum duration chart in sub. (1) if disability begins after age 61.

- (4) Notwithstanding sub. (1) through (3), ICI benefits shall be terminated the end of the day in which the CLAIMANT dies.

2.13 ELIMINATION PERIODS.

- (1) A CLAIMANT qualifies for ICI benefits on the day after which the CLAIMANT has not worked and been continuously and totally disabled for the elimination period selected under Table I.
- (2) The first day of the elimination period shall be the day after the last day worked or if the CLAIMANT did not see a PHYSICIAN on the last day worked, the first date of treatment, whichever is applicable. The CLAIMANT must be totally disabled pursuant to § 2.14 and not working during the elimination period.
- (3) The elimination period for benefits for a CLAIMANT who becomes disabled while on authorized leave shall be the same period the CLAIMANT would have been required to serve if the CLAIMANT would have been in pay status at the time of disability.
- (4) The elimination period shall begin on the effective date of the disability and continue without a break even if the CLAIMANT has a summer, seasonal or semester break in service.

2.14 TOTAL DISABILITY DEFINED

- (1) A CLAIMANT who is approved for benefits under the disability provisions of the Wisconsin Retirement System under § 40.63, Stats., § ETF 50.40, Wis. Admin. Code, or the United States Social Security Act and has ICI coverage in effect on the effective date of the other disability provisions mentioned, shall not be required to furnish further proof initially that the CLAIMANT meets the definition of "totally disabled" under sub. (4) (a), but thereafter and at reasonable intervals, proof of continued disability may be required pursuant to sub. (3) or pursuit of medically supported vocational rehabilitation may be required pursuant to § 2.18.
 - (a) If either § 40.63, Stats., Wisconsin Retirement System disability benefit or § ETF 50.40, Wis. Admin. Code, Long Term Disability Insurance (LTDI) referenced in sub. (1) is approved, the ICI disability begin date will be the day after the last day worked.
 - (b) If a Social Security Disability Insurance Benefit is approved, the ICI disability begin date will be the date the Social Security Administration found the CLAIMANT disabled.
 - (c) Pursuant to § 2.14 (1), par. (b) is not applicable if ICI coverage has lapsed before the effective date of the Social Security Disability Insurance Benefit (after satisfying the Social Security Administration waiting period).
- (2) House confinement shall not be required as a condition of disability but a CLAIMANT must be under the REGULAR CARE AND ATTENDANCE of a licensed PHYSICIAN, other than self, during the period of disability. A CLAIMANT who is under REGULAR CARE AND ATTENDANCE of a medical specialist other than a licensed PHYSICIAN, who was recommended by the initial attending PHYSICIAN, shall qualify under the provisions of this section subject to prior authorization by the DEPARTMENT. Treatment must meet or exceed standards of the medical profession for a condition which is totally disabling as defined in sub. (4).

- (3) In consultation with the DEPARTMENT, the CONTRACTOR may initially and at reasonable intervals require the CLAIMANT to furnish proof of total disability and may require independent medical examinations by a licensed PHYSICIAN or other medical specialist of the CONTRACTOR's or the DEPARTMENT's choosing.
- (4) "Totally disabled" means, for purposes of ICI:
 - (a) During the first twelve (12) months of disability (SHORT TERM DISABILITY), the CLAIMANT's inability by reason of any medically determinable physical or mental impairment as supported by OBJECTIVE MEDICAL EVIDENCE as defined in § 1.07, to perform all of the essential duties of his or her occupation.
 - (b) After the first twelve (12) months (LONG TERM DISABILITY), the CLAIMANT's complete inability by reason of any medically determinable physical or mental impairment as supported by OBJECTIVE MEDICAL EVIDENCE as defined in § 1.07, to engage in any SUBSTANTIAL GAINFUL ACTIVITY for which the CLAIMANT is reasonably qualified with due regard to the CLAIMANT's education, training, and experience. An activity is considered a SUBSTANTIAL GAINFUL ACTIVITY if the earnings from that activity would be at least equal to the gross ICI benefit for the same period of time.

2.15 INTEGRATED BENEFITS.

- (1) The CLAIMANT must apply and complete the application process for other benefit programs for which the CLAIMANT is eligible, including but not limited to Social Security Disability (through the hearing level if denied initially); State and Federal disability and retirement plans; unemployment compensation, and worker's compensation.
 - (a) A CLAIMANT applying for ICI benefits must submit evidence acceptable to the CONTRACTOR that the CLAIMANT has taken all necessary action to obtain and assign any other benefits available from the sources listed in sub. (2) which the CLAIMANT may be eligible to receive. This includes completion of any necessary records release.
 - (b) If the CONTRACTOR ascertains a CLAIMANT has not acted in a timely fashion to apply for benefits for which the CLAIMANT is eligible, the CONTRACTOR may reduce the ICI benefits by an estimated amount the DEPARTMENT or CONTRACTOR determines would have been payable from that source. The ICI benefit will be reduced by the straight life annuity amount for any disability or retirement benefit available from the Wisconsin Retirement System or the estimated Wisconsin Retirement System Long Term Disability (LTDI) monthly benefit, whichever is greater.
- (2) Benefit payments from ICI shall be reduced by benefits paid or payable at the rate of 100% except as specified for the State disability or retirement plan in par. (e), from the following sources:
 - (a) Worker's Compensation Act, any payment except those specifically identified as permanent partial disability (PPD), penalties assessed against EMPLOYERS, medical expenses and attorney fees. Worker's

Compensation settlement agreements which do not identify a specific amount, type of benefit or time period shall be offset from the ICI benefit effective the date the Worker's Compensation benefit is paid. The amount by which any such lump sum settlement benefit exceeds the monthly ICI benefit otherwise payable shall be carried over to reduce ICI benefits payable in future months until the amount of the lump sum has been completely offset.

- (b) Any EMPLOYER liability law.
 - (c) Any occupational disease law.
 - (d) The United States Social Security Act as amended, or any similar act of any State or county. If a CLAIMANT elects to receive benefits based on the spouse's account in lieu of the CLAIMANT's own account, the ICI benefit will be reduced by the amount received by the CLAIMANT.
 - (e) Any State or Federal disability or retirement plan. State periodic disability and retirement payments and lump sum payments will be offset at the equivalent straight life monthly annuity amount using the DEPARTMENT's current actuarial tables. A CLAIMANT who begins receiving a regular retirement benefit from any State or Federal retirement plan prior to the disability begin date will have the ICI benefit reduced by that benefit. The reduction for the Wisconsin Retirement System retirement plan will be based on the straight life annuity amount. A CLAIMANT eligible for either a § 40.63, Stats., benefit or a § ETF 50.40, Wis. Admin. Code, benefit may choose the benefit preferred.
 - (f) Any EMPLOYER sponsored salary continuation plan, including any plan whose premiums are paid or collected via payroll deduction.
 - (g) EARNINGS and sick leave paid. The use of sick leave, vacation time, etc., after the elimination period shall be at the CLAIMANT's option, subject to personnel rules or policy. Any EARNINGS paid for sick leave, vacation pay, etc., after the elimination period will be offset from the ICI benefit at 100%.
 - (h) Unemployment compensation.
- (3) Notwithstanding delays in benefit payments from sources listed under sub. (2), income continuation benefit payments may be made, and adjusted, retroactively if necessary, when benefit payments from other sources are actually made or become known to the DEPARTMENT or CONTRACTOR.
- (4) Benefits will be permanently reduced by the initial amount of Social Security (OASDHI) and other applicable State and Federal benefits. If the CLAIMANT elects to receive benefits based on the spouse's account in lieu of the CLAIMANT's own account, the ICI benefit will be reduced by the amount received by the CLAIMANT. Future changes in payments which reflect improvements or cost-of-living adjustments will not alter the amount originally established as an offset with the following exceptions: computation correction errors and adjusted Long Term Disability Insurance (LTDI) benefits due to retirement or separation benefit offsets.

- (a) The ICI offset due to a Qualified Domestic Relations Order (QDRO) will be determined in the following manner:
1. If the CLAIMANT is both an annuitant and receiving ICI benefits at the time of divorce, the offset shall be computed as though the CLAIMANT's account had not been divided. The ICI offset will be the equivalent straight life amount of the CLAIMANT's account as if it had not been divided.
 2. If the CLAIMANT is an active EMPLOYEE receiving ICI benefits at the time of divorce and takes a separation benefit after the divorce, the offset shall be computed based on the amount the CLAIMANT actually received as a separation benefit.
 3. If the CLAIMANT is an inactive EMPLOYEE receiving an ICI benefit at the time of divorce and the CLAIMANT does not apply for a benefit from the Wisconsin Retirement System account until a regular annuity is taken, the ICI offset is the straight life amount the CLAIMANT would have received as an annuity if the account had never been divided, with the offset effective when the annuity begins.
 4. An EMPLOYEE who is employed when a QDRO takes effect and later becomes eligible for ICI benefits will have an offset when a separation benefit, disability or a retirement annuity is taken, and the offset will be the equivalent straight life amount of the actual amount received.
- (b) The CONTRACTOR, with prior approval from the DEPARTMENT, may hire an advocate or facilitator to assist the CLAIMANT with a disability process. Failure to cooperate with an advocate or facilitator shall result in the suspension or termination of ICI benefits.

If Social Security disability benefits are awarded following an appeal, and the CLAIMANT had retained an attorney, the amount of the attorney fees will not be considered as an offset by the insurance program. The amount of the attorney fees not considered an offset will be based on the amount of the fees that were approved by the Social Security Administration and paid directly to the attorney. The CONTRACTOR will require proof of the amount withheld and paid to the attorney before any reduction in the overpayment amount will be made.

- (5) If an EMPLOYEE was receiving disability benefits continuously from Local, State or Federal programs prior to becoming insured, and subsequently becomes disabled while insured under this Plan, the disability benefits will be offset only if the amount received from the other program is increased as a result of the subsequent disability and only by the amount of the increase.
- (6) Notwithstanding the provisions of sub. (2), if a CLAIMANT elects not to apply for a disability benefit, although eligible to do so, and applies for a State or Federal retirement or separation benefit, the amount offset under this section shall be set at the greater of the disability, retirement or separation benefit which the CLAIMANT would have been eligible to receive.

- (7) A CLAIMANT shall not be required to apply for a regular retirement annuity from Federal or State programs if the annuity would be paid at a reduced amount because of age.
- (8) Benefits listed in sub. (2) that began on or after the ICI coverage effective date will be offset against the ICI benefit.

2.16 BENEFIT PAYMENTS.

- (1) Benefit payments shall be based on a CLAIMANT's earnings as determined under § 2.11 (2). Total benefit payments from the ICI Plan, combined with payments from other sources listed in § 2.15, shall be determined in accordance with Table II, integrated disability benefit table.
- (2) ICI benefits may be denied, suspended or terminated if information necessary to determine such benefits is not received within ninety (90) days of the date of request.
- (3) ICI benefits may be terminated if medical evidence shows that the CLAIMANT no longer meets the definition of disability in § 2.14 (4). If the CLAIMANT had a medical condition while employed which was accommodated by the EMPLOYER, and that condition has not significantly changed, that condition is not considered in determining whether the CLAIMANT is capable of returning to their own occupation.
- (4) Benefits will be paid monthly, at the end of the month, and by 30 of the monthly benefit for each day of the benefit period less than one month.

2.17 DURATION OF BENEFITS.

- (1) After satisfaction of the elimination period, SHORT TERM DISABILITY benefits shall be payable during the twelve (12) month period subsequent to the date the disability begins.
 - (a) Successive periods of SHORT TERM DISABILITY due to the same or related medically determinable physical or mental impairments shall be considered one disability unless the periods of disability are separated by at least fourteen (14) consecutive calendar days during which the CLAIMANT returns to full time employment, or is certified by a PHYSICIAN as being able to return to full time employment or the OBJECTIVE MEDICAL EVIDENCE supports the CLAIMANT's return to full time employment.
 - (b) Successive periods of SHORT TERM DISABILITY due to unrelated medically determinable physical or mental impairments shall be considered one disability unless the periods of disability are separated by at least one (1) day the CLAIMANT is scheduled to work and returns to full time employment, or is certified by a PHYSICIAN as being able to return to full time employment or the OBJECTIVE MEDICAL EVIDENCE supports the CLAIMANT's return to full time employment.
- (2) LONG TERM DISABILITY benefits shall begin after the twelve (12) month period specified in sub. (1) if the CLAIMANT meets the LONG TERM DISABILITY definition as indicated in § 2.14 (4) (b).

- (a) Successive periods of LONG TERM DISABILITY due to the same or related medically determinable physical or mental impairments shall be considered one disability unless the periods of disability are separated by at least six (6) consecutive months during which the CLAIMANT returns to full time employment, or is certified by a PHYSICIAN as being able to return to full time employment or the OBJECTIVE MEDICAL EVIDENCE supports the CLAIMANT's return to full time employment.
 - (b) Successive periods of LONG TERM DISABILITY due to unrelated medically determinable physical or mental impairments shall be considered one disability unless the periods of disability are separated by at least fourteen (14) consecutive calendar days during which the CLAIMANT returns to full time employment, or is certified by a PHYSICIAN as being able to return to full time employment or the OBJECTIVE MEDICAL EVIDENCE supports the CLAIMANT's return to full time employment.
- (3) A PHYSICIAN's certification that a CLAIMANT is able to return to full time employment cannot be retroactive. The certification must take effect on the date written or on a future effective date.
 - (4) Rehabilitative employment, as provided under § 2.18, shall not be considered a return to full time employment under subs. (1) and (2).
 - (5) If a CLAIMANT returns to full time employment, or is certified by a PHYSICIAN as being able to return to full time employment or the OBJECTIVE MEDICAL EVIDENCE supports the CLAIMANT's return to full time employment for the periods specified in subs. (1) and (2) and is subsequently disabled again, it shall be considered a new disability and the elimination period established under § 2.13 shall apply.
 - (6) No benefits shall be payable for any period after the date of a CLAIMANT's death.
 - (7) ICI benefits may be denied, suspended or terminated if information necessary to determine such benefits cannot be obtained within ninety (90) days of the date of the request.
 - (8) If a CLAIMANT is certified by a PHYSICIAN or the CLAIMANT is supported by the OBJECTIVE MEDICAL EVIDENCE as being able to return to less than full time work, but the CLAIMANT does not return to work, the ICI benefit will be reduced by an estimated EARNINGS offset. The estimated offset will be based on the number of hours indicated by the PHYSICIAN, or substantiated by the OBJECTIVE MEDICAL EVIDENCE or an independent medical examination authorized under § 2.14 (3), multiplied by the hourly rate the CLAIMANT was earning when the CLAIMANT first became disabled. Pursuant to § 2.18 (4), estimated EARNINGS shall be offset at the rate of 75% if the CLAIMANT was in a DEPARTMENT approved rehabilitation plan, or the DEPARTMENT would have approved a rehabilitation plan under § 2.18 (2).

2.18 REHABILITATIVE TRAINING.

- (1) The DEPARTMENT must prior approve any individualized rehabilitative plans. An approved plan shall be available for a CLAIMANT after qualifying for ICI benefits if

the DEPARTMENT determines that such a plan will aid the CLAIMANT in returning to SUBSTANTIAL GAINFUL ACTIVITY. A rehabilitative plan must be in writing and include specific goals and dates for meeting those goals which are agreed to by the CLAIMANT and approved in advance by the DEPARTMENT.

- (2) A rehabilitative plan may include:
 - (a) An education program which have as its primary purpose the training or retraining of a CLAIMANT so that the CLAIMANT may engage in SUBSTANTIAL GAINFUL ACTIVITY. A rehabilitation plan need not be limited to formal vocational rehabilitative training.
 - (b) Any on-the-job training or retraining from any source.
 - (c) Part time return to prior position, unless the OBJECTIVE MEDICAL EVIDENCE, obtained at least on a quarterly basis, indicates the CLAIMANT is able to work full time in the prior position.
 - (d) Part time employment in a position other than the CLAIMANT's prior position, whether or not the employer is a Wisconsin Retirement System covered EMPLOYER, if such employment is approved by the DEPARTMENT program as rehabilitative.
 - (e) A return to full time employment at an hourly rate that is less than what would be considered SUBSTANTIAL GAINFUL ACTIVITY, whether or not the employer is a Wisconsin Retirement System covered EMPLOYER, if OBJECTIVE MEDICAL EVIDENCE or a rehabilitative specialist supports such employment.
- (3) ICI benefits shall not be reduced because the CLAIMANT is participating in an educational program provided under sub. (2) (a), if the CLAIMANT receives no EARNINGS from such program. Benefits may be increased by an amount equal to any reduction in the CLAIMANT's income from sources listed under §2.15 to the maximum benefit payable to the CLAIMANT, if such reduction is caused by the CLAIMANT's participation in the educational program. Supplemental benefits shall be available to pay all or part of the reasonable cost of educational programs including tuition, course fees, books and other necessary materials not available from other sources.
- (4) ICI benefits shall be reduced by an amount equal to 75% of the gross EARNINGS that a CLAIMANT receives or is capable of earning from rehabilitative training provided under sub. (2) and by 100% of any paid sick leave. The DEPARTMENT may waive all or part of the offsets under this paragraph in order to promote the return to SUBSTANTIAL GAINFUL ACTIVITY for a period not to exceed nine (9) months. The DEPARTMENT will apply the following guidelines in determining whether the waiver is appropriate:
 - (a) The CONTRACTOR and the DEPARTMENT will review the CLAIMANT's job related expenses that are incurred due to the CLAIMANT's medical condition, which are over and above the normal expenses, and are not covered by other sources. The CLAIMANT must receive prior approval from the DEPARTMENT before waiving the offset of EARNINGS because of the CLAIMANT's medical condition.

- (b) The CONTRACTOR and the DEPARTMENT will only consider expenses directly related to accommodating a CLAIMANT's needs in getting to work and/or having an appropriate work station. Such items as child care, gasoline, bus fare, etc., will not be considered covered job related expenses. Such expenses must be thoroughly documented.
- (c) The ICI Plan will require appropriate documentation (receipts, tax returns, etc.) to support expenses claimed under par. (b). Any expenses for a caregiver will be considered only if the care is provided by a properly trained caregiver and approved in advance by the DEPARTMENT.
- (5) EARNINGS received from employment or training which has not been approved as rehabilitative will be offset at an amount equal to 100% of the gross EARNINGS.
- (6) If a CLAIMANT is determined to be physically and mentally capable of rehabilitative training but refuses to participate in such a program, or does not work the number of hours indicated by a PHYSICIAN, or substantiated by the OBJECTIVE MEDICAL EVIDENCE or an independent medical examination authorized under § 2.14 (3), the DEPARTMENT may authorize the termination or suspension of disability benefit payments or may authorize the offset of benefits by the amount of EARNINGS the CLAIMANT could have received if engaged in rehabilitative employment.

2.19 WORLDWIDE COVERAGE.

An insured EMPLOYEE shall not be denied coverage solely because of travel or residency in any geographic location.

2.20 LIMITATIONS.

Benefits shall not be payable for total disability which begins prior to the effective date of coverage or disability which is:

- (1) The direct result of war, declared or undeclared. The fact of war shall be determined by the BOARD.
- (2) The direct or indirect result of intentional self-inflicted injury for monetary gain.
- (3) The direct or indirect result of participation in the commission of a crime other than a misdemeanor.
- (4) The direct or indirect result of cosmetic surgery.

2.21 CLAIMS PROCEDURE.

- (1) A claim form and medical report form prescribed by the DEPARTMENT shall be available to the CLAIMANT from the EMPLOYER or from the DEPARTMENT.
- (2) A completed claim for ICI benefits must be completed by the CLAIMANT after the last day worked and submitted to the DEPARTMENT by the CLAIMANT no later than one month after the commencement of disability or as soon thereafter as it is reasonably possible, but in no event will a claim be accepted if received more than

twelve (12) months from the claimed disability begin date as determined by the CONTRACTOR. In no event will benefits be payable for the period which is more than ninety (90) days prior to the date the DEPARTMENT receives the completed claim form. A claim form completed before the last day worked will be rejected by the CONTRACTOR. The Income Continuation Insurance Claim (ICI) Form (ET-5352) shall be the only acceptable claim form. Any other claim form received by the DEPARTMENT shall be rejected by the CONTRACTOR.

- (3) An Income Continuation Insurance (ICI) Medical Report form (ET-5350) must be signed by a PHYSICIAN on or after the CLAIMANT's last day worked. A medical report form completed before the CLAIMANT's last day worked or signed by a health care provider or other person who does not meet the definition of PHYSICIAN under § 1.08 will be rejected by the CONTRACTOR.
- (4) After a claim form is received the CONTRACTOR shall send an Income Continuation Insurance (ICI) Employer Statement (ET-5351) form to the EMPLOYER. The form must be completed and returned to the DEPARTMENT for processing by the CONTRACTOR before any benefits are payable.
- (5) Administrative Review Process
 - (a) The CLAIMANT has the right to request in writing the reconsideration of a denial, termination, or other benefit determination by the CONTRACTOR, but it must be received by the CONTRACTOR no later than ninety (90) days after the date of the CONTRACTOR's letter which contains the denial, termination or other benefit determination.
 - (b) The CLAIMANT may provide any additional information as part of the request for reconsideration, but it must be received by the CONTRACTOR no later than ninety (90) days after the date of the CONTRACTOR's letter which contains the denial, termination or other benefit determination.
 - (c) If the CLAIMANT does not agree with the CONTRACTOR's reconsideration decision, the CLAIMANT has the right to request in writing a Departmental Determination of the denial, termination, or other benefit determination by the CONTRACTOR, but it must be received by the DEPARTMENT no later than ninety (90) days after the date of the CONTRACTOR's reconsideration letter.
 - (d) The CLAIMANT may provide any additional information as part of the request for a Departmental Determination, but it must be received by the DEPARTMENT no later than ninety (90) days after the date of the CONTRACTOR's reconsideration letter.
 - (e) If the CLAIMANT does not agree with the DEPARTMENT's Departmental Determination, the CLAIMANT has the right to request in writing an appeal to the Group Insurance Board, but it must be received by the DEPARTMENT's Board Coordinator no later than ninety (90) days after the date of the Departmental Determination letter.

2.22 ASSIGNMENT OF BENEFITS.

Benefits payable under this Plan are non-assignable.

TABLE I PREMIUM AS A PERCENT OF EARNINGS						
Calendar Day Eliminating Period	Monthly Premium as a % of Average Monthly Earnings					
	Total		Employer		Employee	
30	1.5%*	1.125%**	0.5%*	.375%**	1.0%	.75%**
60	1.2%	.9%	0.5%	.375%	0.7%	.525%
90	1.0%	.75%	0.5%	.375%	0.5%	.375%
120	0.8%	.6%	0.5%	.375%	0.3%	.225%
180	0.5%	.375%	0.5%	.375%	0.0%	0.0%

* Rates prior to 9/1/97
 ** Rates effective 9/1/97

TABLE II Integrated Disability Benefit			
Percentages based on Average Monthly WRS Earnings	Benefit		
	% of Earnings	Minimum	Maximum
	75%	\$0	\$4,000